



On target, off track: Europe's failure to protect the climate

by Stephen Tindale

Europe likes to see itself as a leader in attempts to control climate change. But it is not. The EU's own greenhouse gas emissions are falling. However, that is due to de-industrialisation and the fact that so many of the goods Europeans consume are now manufactured in China or India. The amount of carbon emissions caused by Europe, taking account of the pollution attributable to such goods, is rising.

November's UN climate summit in Warsaw made no significant progress. The key point of disagreement was money. Developing countries, led by Brazil, China and India, argued that rich countries should help poorer countries to protect themselves against extreme weather – pointing out that rich countries became wealthy by burning fossil fuels and are responsible for most historic emissions. But developed countries, including EU states, refused to pay for past pollution. They argued that current emissions are more significant than past ones. This is unscientific – because carbon dioxide remains in the atmosphere for up to two centuries – and irresponsible.

The Warsaw summit agreed to introduce new targets by 2015, to come into force in 2020. The annual climate conferences now move to Peru and then France. In January the European Commission will propose an EU target for greenhouse gas reductions by 2030. Well-crafted targets can play a useful role in shaping policy discussions. But good policy can be adopted even without targets. Brussels's policy

focus should be on reducing pollution while at the same time strengthening the economy. The top priority should be to minimise coal use.

EU regulations are forcing the closure of some old coal power plants, but there is no ban on building new ones. New coal stations are more efficient than old ones, and are required to have technology to cut emissions of gases that cause acid rain. But they do not have to include carbon capture and storage (CCS) facilities. Without CCS, coal produces about twice as much carbon dioxide per unit of electricity as gas does, and 50 times as much as nuclear or wind. Energy companies are proposing 42 new coal power stations in nine member-states. Thirteen are in Poland and ten in Germany. In other countries, including France, Spain and the UK, no new coal power plants are proposed, but the amount of coal burnt in existing plants is increasing.

Poland is widely blamed for blocking EU attempts to lower emissions of green house gases. The country generates almost 90 per cent of its electricity from coal. Yet Poland is

still a relatively poor member-state, and hence relies on coal rather than on more expensive alternatives like renewables. Germany has no such excuse. It has a target that 80 per cent of electricity should be renewable by 2050, but no target for heating and transport, which account for a much higher proportion of overall emissions. And in the meantime emissions from electricity generation are actually rising.

Chancellor Angela Merkel used to say that low-carbon bridge technologies are necessary, to protect the climate while the move to renewables is achieved. That was before the Fukushima accident, which prompted her government to close down the country's nuclear power plants. Coal generation is at present cheaper than gas generation, partly because the carbon price in the EU's emissions trading system is too low to be relevant and partly because Germany is importing cheap coal from the US. So Berlin is allowing a major expansion of coal generation – ten large new coal-fired power stations will open in the next two years. None of these will use CCS, because that technology is costly and unpopular with the German public. Coal will generate over half of Germany's electricity this year – hence the rising emissions. The country may reach its 2050 renewables target but, if it sticks to its present course, will have damaged the climate enormously while getting there.

Under EU treaties, member-states are free to choose the fuels they use. But pollution is a matter

for the EU, because it does not stop at national frontiers. To get climate policy on the right track, European institutions should make two major changes. First, CCS should be made mandatory on any new coal station, through an emissions performance standard. Second, the emissions trading system should be underpinned by a price floor so that it encourages energy efficiency and investment in low-carbon energy supply. But the current price of under €5 per tonne is far too low to do this; the EU should introduce a floor price of €30 per tonne. Energy-intensive sectors which produce traded goods should continue to be protected from the carbon price through the receipt of free emissions allowances.

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The EU is losing any serious claim to leadership on climate change. This will have serious consequences, not only for the climate but also for the economy and for Europe's soft power. The country most responsible is Germany, the member-state which often likes to claim green leadership.

Stephen Tindale
Associate fellow, CER

CER in the press

The Times

14th November 2013
 “When I began to question my opposition to nuclear, I knew it was time to leave Greenpeace because being anti-nuclear is central to its DNA. If I had questioned nuclear opposition I'd probably have been out of a job,” said Stephen Tindale of the CER.

The Wall Street Journal

14th November 2013
 Outside Germany, critics of the country's trade surplus were unmoved. “We're talking tiny margins here,” economist Simon Tilford, deputy director of the CER, said of the data released Thursday.

The New York Times

1st November 2013
 “The root of the problem is that Spain is attempting to do two contradictory things: pull off an internal devaluation within the eurozone to bolster trade competitiveness, while ensuring that its debt burden remains sustainable,” said Simon Tilford of the CER.

The Economist

25th October 2013
 In a new publication the CER argues that the Commission “needs to act as referee in the political game, not as captain of one of the teams”. ...The CER proposes a “forum” of national parliamentarians to scrutinise EU actions where the EP has

no say, for instance in devising bail-out packages.

Le Monde

17th October 2013
 Charles Grant, CER director, says that, in contrast to Angela Merkel, David Cameron seems to have built a pragmatic relationship with the Russian leader. And the foreign ministers of the two countries, Hague and Lavrov, get on.

The Financial Times

14th October 2013
 “Contrary to popular opinion, EU immigrants are far less likely to take up benefits than the British population ... the great majority of EU immigrants come to Britain to work,” said

John Springford of the CER.

The Financial Times

13th October 2013
 “Berlin and Brussels desperately need to show that the tough economic medicine they have been prescribing during the eurozone sovereign debt crisis works and Ireland is their best chance of a success story,” says Hugo Brady of the CER.

The New York Times

3rd October 2013
 Sergey Lavrov had been seen in the West as “Mr Nyet,” Ian Bond of the CER said, persistently standing in the way of Western efforts to pressure President al-Assad of Syria, Moscow's main regional ally.